

## Office of the Attorney General Paul G. Summers

## **NEWS RELEASE**

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## ATTORNEY GENERAL AWARDS \$5.6 MILLION TO TENNESSEE ORGANIZATIONS IN STATE'S LARGEST ANTITRUST SETTLEMENT IN HISTORY

Tennessee Attorney General Paul G. Summers announced today his office is awarding more than \$5 million to 75 organizations to settle charges that vitamin manufacturers engaged in price-fixing.

Tennessee's share of the money--the largest antitrust settlement in Tennessee's history--is the result of a national agreement involving a ten-year price-fixing conspiracy among vitamin manufacturers. The agreement follows a lawsuit against six companies.

The defendants are alleged to have illegally conspired to raise the price of vitamins bought by consumers. As a result, consumers paid more money for everything from vitamin tablets to products such as cereal, meat and baby food enriched with vitamins.

"We are pleased so many Tennesseans will benefit from such an unfortunate situation," Attorney General Summers said.

The Attorney General's Office put out an announcement for organizations to apply for the awards in August 2001. A diversified committee from across the state selected the 75 recipient organizations based on a variety of factors. The chief requirement was that the money be used exclusively for the improvement of health and/or nutrition purposes.

"Since it would be virtually impossible to determine how much money each Tennessean would be entitled to, we felt this distribution method would be the fairest way to reach as many

Tennesseans as possible."

The alleged price-fixing began in 1989 and continued until 1998, according to information uncovered by the 23-state task force. The defendants included manufacturers, marketers and distributors of bulk vitamin products for sale in the United States, Puerto Rico and the District of Columbia.

The defendants are alleged to have fixed prices and allocated the market share in products used as ingredients in animal and human nutritional products and even cosmetics.

"This agreement is by far the largest antitrust agreement in this state's history," Summers said. "It represents the culmination of years of extensive investigation, analysis and trial preparation by more than 100 law firms and 23 state attorneys general."